

LAW OFFICES  
NICHOLAS C. VASELS  
1601 DOVE STREET  
SUITE 200  
NEWPORT BEACH, CALIFORNIA 92660  
TELEPHONE: (949) 225-0038  
FACSIMILE: (949) 225-0042

April 28, 2000

Federal Election Commission  
Att: Michael Marinelli, Esq.  
Office of the General Counsel  
999 E Street N.W.  
Washington D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

MAY 2 2 53 PM '00

Supplement to  
AOR 1999-38

Re: Ken Calvert For Congress  
AOR 1999-38

Dear Mr. Marinelli:

Thank you for our recent communications concerning additional documents to support those matters subject of the above-referenced Advisory Opinion Request currently pending before the Commission.

In connection with the foregoing, we would appreciate the Commissions's consideration of the following:

1. Fieldworks Development: As explained in the November 17, 1999 AOR, Fieldworks Development, a dba for an individual named David Terrie, was a vendor engaged by the campaign committee to provide certain computer services for the 1994 primary and general elections; part of Mr. Terrie's services and invoices were disputed by the committee. Meanwhile, the gross invoice amount was reported as a Schedule D debt, notwithstanding the dispute. Subsequent attempts to settle the dispute failed, leaving Terrie the option to sue in court. He never did, and the claim or potential claim is now extinguished by expiration of the applicable California Statute of Limitations. In substantiation of the foregoing, you will find enclosed copies of:

- (a) Executed invoice/agreement executed May 25, 1994;
- (b) Last statement of account from Terrie dated October 26, 1994;

- (c) Fax transmittal from Terrie to Mr. Calvert, dated 10/31/94;
- (d) Letter from the undersigned to Terrie dated November 2, 1994;
- (e) Letter from Terrie to the undersigned dated November 4, 1994;
- (f) Letter from the undersigned to Terrie dated December 2, 1994;
- (g) Letter from Terrie to the undersigned dated December 16, 1994;
- (h) Letter from the undersigned to Terrie dated January 11, 1995.

With respect to the last item, neither this office or the campaign committee heard further from Terrie. California law provides for a four-year Statute of Limitations on written contracts, including statements of accounts (see California Code of Civil Procedure § 337). The date of the last item on Terrie's disputed invoice is May 25, 1994, but even if one were to run the Statute from the date of the last invoice, i.e. October 26, 1994, it is clear that any right of action by Terrie---notwithstanding the valid defenses of the campaign committee---expired on or about October 26, 1998. Under the circumstances, the committee has no indebtedness to Terrie, and the Schedule D item subject of the AOR should be removed.

2. Pacific West Communications: As referred in the November 17 AOR, Pacific West Communications, a corporation, was engaged by the campaign committee to produce a video for voter distribution during the 1996 election. The cost of the production, according to the vendor, apparently exceeded the amount originally estimated at the time of the engagement. Enclosed are:

- (a) Copy of an invoice by Pacific West dated March 5, 1996 showing a balance \$2,690.35 as then due;
- (b) Copy of a fax transmittal letter dated September 12, 1996 from Pacific West Communications referring to the amount due of \$2,915.00.

The amount of the invoice, as you may see, was the cost-overrun mentioned above and was disputed by the committee's then-campaign manager. The invoice referred in the Pacific West fax as having been attached to the transmittal is not in the files and records of the committee and appears to be either lost or misplaced, but it appears that part of the March 5, 1996 invoice was paid, leaving a balance due of \$2,915.00, which was reported on the Schedule D subject of the AOR and referred in the September 12, 1996 fax. The \$2,915.00 reported amount remained disputed by the committee and was never paid. We have no other records of the dispute, except the assertions of our former campaign manager who had contested the last invoice. The committee received no further invoices or demands from Pacific West, and we understand that it went out of business shortly after the 1996 general election. And as in the case of Fieldworks Development above, the applicable California four-year Statute of Limitations has run on the claim, and it is extinguished. The committee has no indebtedness to Pacific West Communications, and the relevant Schedule D item should be removed.

Michael Marinelli, Esq.  
April 28, 2000  
page three

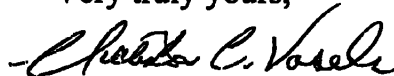
3. Gangi Graphics: As also referred in the November 17 AOR, Gangi Graphics, Inc., a corporation (also then doing business as "Gangi Express") was a subcontractor of Pacific West Communications in connection with the 1996 campaign video; specifically, Gangi was responsible for producing, among other things, adhesive labeling for the cassettes mailed to selected households. The labelling was somehow incorrect and untimely delivered and had to be redone, at extra expense, leading to further delays and cost overruns by the contractor, Pacific West, causing in part the Pacific West dispute mentioned above. Gangi Graphics was paid on most of its invoices, but the remaining unpaid amount of \$2,085.99---the amount reported on the Schedule D subject of the AOR---the committee refused to pay. In connection with the foregoing, you will find enclosed:

- (a) Copy of a memo to the committee's files concerning the label issue;
- (b) Copy of Gangi Graphics invoice for the entire job, dated March 21, 1996;
- (c) Copy of fax memo dated September 12, 1996 from Gangi to Terry Jeter, then employed by the campaign, regarding the unpaid balance of the disputed \$2,085.99.

That balance was never paid by the committee, and Gangi Graphics did not make further demands or press any claim therefore. The California four-year Statute of Limitations has expired and the claim, or potential claim, is extinguished. The committee is not indebted to Gangi Graphics for the amount set forth in the subject Schedule D from which the reported debt should be removed.

We trust that the enclosed documents will aid the Commission to hopefully approve of the intended charge-offs. We apologize in any delay in providing your office with the additional information. Should you have any further questions or comments, please do not hesitate to let me know. Regards.

Very truly yours,



Nicholas C. Vasels

NCV:st  
encls.  
cc: Gary L. Rawlings

# FieldWorks Development Company

DATABASE SOFTWARE &amp; CONSULTING

(909) 282-4690

28401 CHAMPIONSHIP DRIVE

MORENO VALLEY, CA 92555

Invoice #: CALVERT-1

## INVOICE

### Table of Charges for Services Rendered

|  |                   |
|--|-------------------|
| Install Paradox, fix your data, train Terry on the basics of data entry, sorting, etc.   | \$2,000.00        |
| Install Ami Pro and train Terry on this to do high quality mail merges, and generate labels  | \$500.00          |
| Import, and program the Political Data files to enable absentee voter retrieval and mailings. (You saved nearly this much just by buying from Political Data). | \$2,000.00        |
| Upgrade PC in back. No charge. We've had problems, which happens, so I'll throw in this wasted time as a good will gesture.                                    | \$0.00            |
| Miscellaneous tasks such generating call lists for a variety of precincts  | \$500             |
| <b>Total</b>   | <b>\$5,000.00</b> |

The undersigned agrees to pay the above amount by ~~June 14, 1994~~ <sup>4/1</sup>. Checks should be made payable to:

FieldWorks Development Company  
28401 Championship Drive  
Moreno Valley, CA 92555

For and on behalf of  
The Ken Calvert for Congress Committee

Edward Slevin  
Campaign Manager

Date:

5/25/94

received July 6-7

# INVOICE

**FieldWorks Development Company**  
28401 Championship Drive  
Morano Valley, CA 92555  
(909) 242-4690

**Invoice Number:** NW102645  
**Invoice Date:** October 26, 1994

**Sold To:**

**Billed To: (If other than Sold To:)**

**The Ken Calvert for Congress Committee**  
**P.O. Box 1414**  
**Riverside, CA 92502**

| Order Number | Date Completed   |         | Terms        |
|--------------|--|---------|--------------|
| N/A          |  | 5/25/94 | ASAP         |
| 10/26/94     | See attached invoice CALVERT-1, signed by Ed Slevin on May 25, 1994. |         | \$5,000.00   |
|              | Two \$1,000 checks for a total of \$2,000                            |         | (\$2,000.00) |
|              | Balance of \$3,000 owed, which is now 180 days overdue.              |         | \$3,000.00   |
|              |  |         | \$3,000.00   |

**Your balance is 180 days overdue. Common decency demands payment.**

**FACSIMILE COVER PAGE**

**To:** Ken Calvert, PERSONAL  
**From :** DLT  
**Subject:** Ami Pro - [CALINV.SAM]  
**Pages (including cover):** 9

**Time:** 12:19:48  
**Date:** 10/31/94

Having met you at Paul Mary Ann Gill's on a few occasions, and spoken to you several times while working in your office during the Primary, I know you are not the kind of man to let this abuse get worse now that you are aware of it. I apologize for bothering you during such a busy time.

**David L. Terrie**  
President, FieldWorks Development Company

I sent this fax to your regional office and was told someone would be getting back to me shortly. As no one has, I'm sending another copy to this office, along with some relevant background documents. I have been more than patient (180 days qualifies, I think), but I AM OUT OF PATIENCE. Your campaign has the money, as you are spending many thousands of dollars with mailers and other media folks to get out your message in the coming week. These people may demand payment up front, but your need to pay them does not excuse other especially very old ones that should have been taken care of months ago. Since I know that if you read this you'll have a check sent to me immediately, a lack of response to this fax will indicate to me that it has been kept from you. Accordingly, I will take any action I deem necessary to force the issue PRIOR to the election. I regret any embarrassment this may cause your campaign Ken, but no one can say they were not forewarned. I hope your staff does not let you down in this matter.

LAW OFFICES  
**NICHOLAS C. VASELS**  
2010 MAIN STREET  
SUITE 510  
IRVINE, CALIFORNIA 92714  
TELEPHONE: (714) 833-9422  
FACSIMILE: (714) 833-3328

November 2, 1994

David L. Terrie  
Fieldworks Development Company  
28401 Championship Drive  
Moreno Valley, CA 92555

Re: Ken Calvert for Congress

Dear Mr. Terrie:

This office represents the Committee to Elect Ken Calvert for Congress (the "Committee") and Ken Calvert personally.

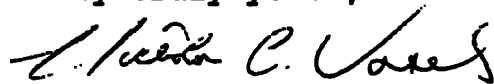
Responding to your fax transmission to Mr. Calvert dated October 31, 1994, you are aware that the Committee has disputed your billings since last May. First, the Committee contends that you never provided, or you improperly installed, those Political Data files for which you invoiced \$2,000 on May 25; the information is simply irretrievable from the system by the Committee's staff whom you had originally contracted to train. Moreover, the charges you claim to have incurred for the work you performed were more than double your written April 5 proposal with which you induced the Committee to engage you. Although you may believe that your billings were justified by the extra time you claim to have spent in programming the Committee's computer system, the fact is, based on qualified third-party assessments of your work, you were significantly inexpedient, and any benefits which you would contend as having accrued to the Committee from your extra time are quite doubtful. The Committee is simply not obligated to you for the balance of your account, and its position on this matter is no news to you.

We do not take kindly your threat to "embarrass" (sic) the Congressman in his present re-election campaign, as expressed in your October 31 fax, should your bill remain unpaid. We are quite protective of Mr. Calvert's interests and we do respond appropriately and decisively to any improper attacks against him. Besides, you may hardly expect that any disparagement of Mr. Calvert, who was never involved in your engagement, can or will result in any resolution of your account.

David L. Terrie  
November 2, 1994  
Page Two

Please direct your further communications concerning the Committee and Mr. Calvert to the undersigned. I shall remain available to discuss these matters with you and to attempt, if possible, an amicable settlement of the dispute.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Nicholas C. Vasels".

Nicholas C. Vasels

NCV/mft  
cc: Sue Miller



## FieldWorks Development Company

**DATABASE SOFTWARE & CONSULTING**  
28401 CHAMPIONSHIP DRIVE

(909) 242-4690  
MORENO VALLEY, CA 92555

November 4, 1994

Mr. Nicholas C. Vasels  
2010 Main Street, Suite 510  
Irvine, CA 92714

Dear Mr. Vasels:

This letter is in response to your letter dated November 2, 1994. If you read it carefully, you will find it quite enlightening.

I am absolutely not aware that any of my billings have been disputed since last May by the Committee to Elect Ken Calvert for Congress (the "Committee"). The fact that I asked to be paid for work not covered in the original \$2,000 item was resolved when Ed Slevin signed the May 25 invoice, and until I told Terry I would not perform any work until the \$3,000 balance owed me per invoice CALVERT-1 (the "Invoice") was cleared, not one word of dissatisfaction was uttered. I got the first two checks with apologies for how long it was taking to pay me. It was only when I was told in September that another \$1,000 would be forthcoming that I complained about the extreme lateness of the payments (see my letter to Sue Miller). I spoke to Sue on the phone prior to sending her the letter dated September 23, and explained that I had trained Terry to perform all the computer-related job functions she asked me how to perform, that generating walk lists was not something Terry wanted to know how to do, nor was it part of our agreement to begin with. After this complaint, not only was the check for \$1,000 not cut, but it is now clear an attempt is being made to stiff me for having the audacity to demand payment in full. Worse, my professional competence and ethics have been slandered in this attempt.

As it appears that either a) you have not read the documents I attached to the fax I sent or that b) you have been misinformed, I will re-transmit them if you need me to. Please let me know. Further, the charges you level are based on a confused understanding of what the campaign was billed for to begin with. I'll attempt to inform you below:

First, as to the charge that the Political Data files were never properly installed, this is clearly not the case. If it were the case I would never have been able to provide the Campaign with the list of names and addresses of absentee voter ballot applications on a daily basis. Using a custom program I wrote as part of item three in the Invoice, Nelson Garcia entered data into a laptop computer at the Registry of Voters, which was then processed to enable sophisticated matching techniques against the list of about 119,000 voters installed on the system in the back of the office. The voter records for which matches were found were used to generate personalized letters on a daily basis, letters which included a scanned image of Ken's signature, saving the campaign a huge amount of effort. Several thousand letters were generated in this way, and given the closeness of the election, this work certainly did have great benefit, as any campaign pro will tell

you. I don't think anyone in the office will dispute that these letters went out, or that I was the one that wrote the program that extracted these voter's names and addresses from the main file. In short, the very fact that the campaign was able to send out these letters is irrefutable proof that the file was properly installed.

Second, as to the files being "simply irretrievable", this can only be so if someone has erased them since I was last in the office prior to the Primary. When I was last in the office, all you had to do was start Paradox for DOS, the database used to work with the files, and View the desired table. I believe the name of the table containing the Political Data files was REGISTER, though it has been a number of months since I've looked at the system. As to the information not being retrievable by Campaign staff:

- As stated in the Invoice, the Political Data file was installed for the express purpose of enabling timely absentee voter mailings.
- Once the Primary was over, the file was effectively obsolete, as when the General election rolled around its data would not reflect newly registered voters, deletions due to death or moves out of the 43rd Congressional District, and updated voting history data. Thus training anyone to use this particular file for subsequent campaigns was not a consideration.
- When I was asked by Terry to help her generate walk lists (and refused because I had not been paid for the work I did during the primary) I told her that even were I to want to help her, we could not proceed due to the outdated file. All campaigns that use Political Data files update them just prior to the election at hand to insure that they get the best data. Call Jim Hayes at Political Data if you doubt this. Call other Campaigns, such as the Weggelend for Assembly Campaign if you doubt this.
- I told both Terry and Sue that I would be glad to be of further assistance once I was paid. Not being a total fool, I was not willing to do additional work for a client who would not pay bills in a reasonable time-frame (shall we define reasonable as 90-days?), if at all.
- No one ever asked to learn how to design and run the queries and reports that the data in this file made possible. I did generate a number of call lists at the request of Nelson Garcia, for which I created some queries and designed some reports, but I was never asked to teach anyone how to do this (this was not part of the agreement, the training portion of which consisted of training Terry in "the basics of data entry, sorting, etc.", tasks which she performed regularly).
- Running queries, generating walk lists, call sheets and other outputs from the list of Registered voters are not "the basics", as they require the ability to perform some fairly complex queries to select specific records before a report can be generated. Nonetheless, anything Terry wanted to do, I showed her how to do, and had she asked how to generate a walk list report, I would have showed her how. Terry had her hands more than full, and as such, my training concentrated on enabling her to perform the functions of her job as it was defined during the Primary - essentially functional survival skills. Furthermore, every contract has a beginning and end, and I should not be accused of failing to train Terry properly when her job took on new duties requiring additional training several months after the Primary was over. I could not at that time anticipate that Terry would several months hence be asked to perform a task that was far over her head. This was not fair to Terry.

Moreover, I had software available which worked with Paradox to automate some of these higher-level tasks, and which was used extensively in the Bringham campaign, but Ed did not want the "Cadillac".

Third, as to the contention that the charges were more than double the original April 4 proposal, you should try re-reading the Invoice. The initial \$2,000 was for work which included training Terry and cleaning up files left over from previous campaigns as well as files sent from Washington by Tom Hammond. This work required extensive restructuring of the data, as it was in extremely poor condition. **This is the first item in the Invoice.** When I was last in the office, these files were on Terry's computer in the front of the office, and named DM1-6 (for source codes Ed Slevin was privy to). As I discussed the content of these files with Ed, Sue and Terry, their location and name were known during the Primary.

**The \$500 for the second item in the Invoice,** the installation of Ami Pro and training of Terry to do mail merges has obviously been satisfied, as this was the software used for the mail merge letters sent to absentee voters, and many other letters and labels as well. I took Terry through the steps necessary to create mail merges and labels numerous times, and never failed to help when she got confused.

**The charge for the Political Data files is the third item in the Invoice,** and has somehow been confused with the first item. These are two entirely separate jobs and two entirely separate sets of data. Note that the charge for installing and programming the Political Data files was for the express purpose of enabling mailings to absentee voters. That this was done cannot be disputed, as it was the only way the letters could have gone out. Again, this data, while still on the system in the back of the office at the time I was last in the office, was effectively obsolete after the Primary, something that should have been obvious to whomever asked Terry to generate Walk Lists (the request that started this dispute to begin with).

**The fifth item in the Invoice, "Miscellaneous tasks..."**, consisted of generating some call lists and poll watcher lists based on specific precinct and polling place criteria, at the request of Nelson Garcia. Nelson and others can attest to the fact that I did indeed perform these tasks.

As for the charge of being "significantly inexpedient", this is a red-herring at best. I'm not sure who the "qualified third-party assessments" were made by, but as the charge references nothing specific, and all other billed for tasks were completed, I can only guess that they refer to the problems we had with the defective PC in the back. As Pete Miller can attest to, we had problems with the system in the back which were time-consuming, and which finally came down to the system having a defective mother board (a hardware problem), something we did not have the diagnostic tools to detect. However, you will note that **I did not charge anything for this work (item four in the Invoice), and that the wasted time effected no-one but me.** I repeat, the "extra time" was not billed for. As such the charge that no benefit accrued from this extra time is not relevant to this dispute. **This is the fourth item in the Invoice.** I didn't like wasting my time attempting to fix this system, but I was being a team player.

Finally as to the Committee's contention that it is "simply not obligated to you for the balance of your account", the facts above show you to be in error. As a lawyer, you know the folly of building a case based on the wrong set of facts. Either you were purposely misinformed, or you did not read the documents I faxed carefully enough.

Now on to my supposed threat to "embarrass" Ken. Having been pointedly ignored in my prior efforts to resolve this matter satisfactorily, my only leverage as I see it is to take action now. Mainly, I have been told that if I am to take the Committee to court over the matter, I should do so before Ken gets re-elected (which I hope he does) as I understand I cannot sue Ken once he is seated. Clearly, the Committee will feel much freer to duck its obligations once the campaign is over. You know it and I know it. I believe I have your attention now. Note that my previous letter to Sue Miller was ignored.

**I did not threaten to embarrass Ken. I said I would take "any action I deem necessary to force the issue PRIOR to the election. I regret any embarrassment this may cause your campaign Ken, but no one can say they were not forewarned."** I did not say I would attempt to embarrass Ken myself, but that if taking action such as going to court or to a collection agency were to cause embarrassment, I would regret it. **Like any business, I have the right to press matters when a customer has not paid bills.** Moreover, the fact remains that while I do not blame Ken one bit for this dispute, he is the captain of the ship, and as such he is responsible for the behavior of his staff.

The text from the cover of my fax to the campaign is below. I have highlighted the salient text.

["Having met you at Paul & Mary Ann Gill's on a few occasions, and spoken to you several times while working in your office during the Primary, I know you are not the kind of man to let this abuse get worse now that you are aware of it. I apologize for bothering you during such a busy time.

David L. Terrie

President, FieldWorks Development Company]\*

[I sent this fax to your regional office and was told someone would be getting back to me shortly. As no one has, I'm sending another copy to this office, along with some relevant background documents. I have been more than patient (180 days qualifies, I think), but **I AM OUT OF PATIENCE.** Your campaign has the money, as you are spending many thousands of dollars with mailers and other media folks to get out your message in the coming week. These people may demand payment up front, but your need to pay them does not excuse other debts, especially very old ones, that should have been taken care of months ago. Since I know that if you read this you'll have a check sent to me immediately, a lack of response to this fax will indicate to me that it has been kept from you. **Accordingly, I will take any action I deem necessary to force the issue PRIOR to the election. I regret any embarrassment this may cause your campaign Ken, but no one can say they were not forewarned.** I hope your staff does not let you down in this matter."]\*\*

\*First fax sent to regional office, but not repounded to.

\*\* Second fax sent to Campaign HQ with additional cover text appended to cover sheet.

So far, Ken's staff has let him down in this matter, as were Ken to have known the facts stated in this letter, you would have sent me a check, not a rebuke. His staff has also placed you in a potentially embarrassing situation, should this matter go to court. Show this letter to Sue, Terry, Nelson, Dale, and Ed. You will find that none of the facts as I have stated them can be disputed. If you like, we can all state our version of the events in a deposition and go before a judge. I have excellent references from other campaigns (Mark Bringhurst for Assembly, Brett Granlund for Assembly, Jim Venable for Hemet City Council), all of which will attest to the quality of my work and the ethics with which I approach it.

I am just as protective of my interests as you are of Ken's, and I do not take kindly to the text of your letter, which is filled with disparaging comments about the quality of my work and of my integrity. To wit, the phrase "induced the Committee" is inappropriate at best. Your letter is also filled with misinformation. I am equally capable of bringing my lawyer into this mess, and will do so to safeguard my professional reputation.

Where getting any "resolution of your account" is concerned, you've made it abundantly clear, based on your defective knowledge of the situation to date, that no payment will be forthcoming unless a third party forces you do make one. It is my hope that you will review this letter carefully and change course before more lawyers get involved.

Very Truly Yours,

David L. Terrie  
President

## **Addendum**

It has come to my attention that in addition to being accused of professional incompetence and unethical behavior, I've further been accused of threatening to give the Takano campaign your mailing lists. I made no such threats, nor do I have any such lists. In my view the money dispute is now a minor one compared to the can of worms your letter and people in the Campaign have now opened up. I have flat out been slandered such that you, Ken, and an unknown number of other people think I am incompetent and dishonest. I can promise you that I will take this matter up in court if you do not take immediate steps to remedy the situation.

If this matter is not to go to court and be made public I'll need:

1. To the extent not covered by attorney-client privilege, a written response from you detailing just how you came in possession of the information you used to write your letter.
2. Written apologies for the accusations made in your letter from Ken, Ed Slevin and anyone else in the office that has made the accusations outlined in your letter as well as for the accusations concerning taking proprietary information to the Takano campaign. I do not blame Ken for what has happened, but I want him to be personally aware of what has gone on in his Campaign. Ken's good name is being dragged through the mud by association.
3. Ken's personal assurance that any parties to whom this slander has been passed on will be made known to me so that I may confirm that they receive written copies of the apologies by registered mail from the Campaign. I expect the letter from Ken to be on Congressional letterhead, assuming he is re-elected. I expect the letters from the others to be on official campaign letterhead.
4. Should it ever happen that this incident causes me to lose a job I would otherwise have received, you can be sure I will sue.
5. Ken's personal assurance, in writing, that the parties involved in spreading these accusations will be disciplined, as for him to do nothing indicates tacit approval of their actions.

LAW OFFICES  
**NICHOLAS C. VASELS**  
2010 MAIN STREET  
SUITE 510  
IRVINE, CALIFORNIA 92714  
TELEPHONE: (714) 833-9422  
FACSIMILE: (714) 833-3328

December 2, 1994

David L. Terrie  
Fieldworks Development Company  
28401 Championship Drive  
Moreno Valley, CA 92555

Re: Ken Calvert for Congress

Dear Mr. Terrie:

I sent your letter of November 4, 1994 to Mr. Calvert's Campaign Committee, and I am advised that your letter is substantially inaccurate. A point by point refutation will not be necessary here; rather, you may consider that the content of my November 2, 1994 letter stands.

In addition, both the Committee and Mr. Calvert reject your claims that you were "slandered" at any time by any member of the Committee's personnel, and they reject those demands set forth in the Addendum to your letter. This dispute concerns my clients' obligation to pay all your billings and involves nothing more.

My clients question your \$2,000 charge for the Political Data files, and they will not pay the amount you billed. The Committee expected to use the program you installed through the general election, but Mr. Calvert's campaign staff was unable to access and retrieve the information from their computers when they needed to do so. You ran the program yourself for the Committee's use during the primary, but you thereafter failed or refused to give training or instructions despite your pre-installation agreement to do so. Your assertion that the file data was "obsolete" after the June election is your opinion only, and the Committee, operating under tight budgetary constraints, did not intend, at the time you were engaged to install the program, to incur any additional expense of updating the files following the primary. The Committee eventually expended the sum of \$1,632.90 for walk-sheet and label information which could not be accessed through your program, and that expenditure represents a dollar-for-dollar reduction in those benefits you contend were conferred by your earlier endeavors.

David L. Terrie  
December 2, 1994  
Page 2

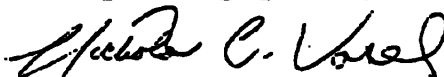
To resolve the matter, and without admitting any liability, the Committee will settle with you as follows:

|                                  |                   |
|----------------------------------|-------------------|
| Total Invoices:                  | \$5,000.00        |
| Total Paid to Date:              | <u>2,000.00</u>   |
| Subtotal:                        | 3,000.00          |
| Less Amounts Expended            |                   |
| to correct Political Data files: | <u>-1,632.90</u>  |
| Balance:                         | <u>\$1,367.10</u> |

The Committee has remitted a check for \$1,367.00 to my trust account from which I have drawn a check in like amount enclosed herewith. This check is tendered to you in full settlement and release of all your outstanding claims against my clients, and your negotiation of the draft constitutes, and will be construed as, our agreement to the same. You are not authorized to negotiate the check otherwise. If you do not agree to the foregoing, then you must return the check to this office within the next five days in which case we will consider that the matter remains unresolved. We can continue to seek an amicable settlement of the dispute, or you can seek adjudication of the issues, whatever you prefer.

Bear in mind that my clients feel as strongly that they have no further obligation to you as you apparently believe they do. I have urged them to use their best judgment in putting this matter to rest, and I pass that same advice along to you.

Very truly yours,



Nicholas C. Vasels

NCV/mft  
encl

bcc: Sue Miller



# FieldWorks Development Company

DATABASE SOFTWARE & CONSULTING  
28401 CHAMPIONSHIP DRIVE

(909) 242-4690  
MORENO VALLEY, CA 92555

December 16, 1994

Mr. Nicholas C. Vasels, Esq.  
2010 Main Street, Suite 510  
Irvine, CA 92714

Re: Settlement Offer by Ken Calvert for Congress Committee

Dear Mr. Vasels:

Thank you for keeping your promise to get a response from your clients. However, I am less than satisfied, and am returning your check. To accept your offer would be tantamount to admitting that the letter I sent you dated November 4, 1994, was "substantially inaccurate," a charge that is patently false, and that your letter dated November 2, 1994, was an accurate representation of the facts, which your settlement offer shows the Committee knows to be false.

I am quite aware that litigation is a path to be avoided at all costs, as I know how capricious the courts can be in these matters, and how expensive such a course can be. Be that as it may, any resolution that I agree to must hold to the facts.

I am at least now gratified to see that your client now admits that I did indeed install and use the Political Data files as stated in invoice CALVERT-1 ("Import, and program the Political Data files to enable absentee voter retrieval and mailings."), in addition to the other tasks I was not paid for performing.

But I am puzzled as to how your clients appear to view the quote above as including training its staff to generate walk lists and various labels based on this file. If you can find a single word in the CALVERT-1 invoice, or any other document signed by me, that even suggests that I agreed to do this, I will accept your settlement forthwith. Note that in the first item of the CALVERT-1 invoice, I stated that I would train Terry in "the basics of data entry, sorting, etc." Nowhere did I agree to train Terry to perform the queries needed to generate walk lists from the Political Data file. There was no "pre-installation agreement to do so", nor did I ever contend that "those benefits ... were conferred" by my earlier efforts.

That the Committee "expected" to use this data to generate walk lists and labels during the general election is one thing, informing me that this was the case and getting Terry trained to perform these specific tasks is another. I cannot be held responsible for **expectations** that were **never communicated** to me. As I stated in my previous letter, and reiterate here, I never refused to perform any training or assistance until Terry asked me about generating walk lists this Fall, at which time I said that I would not perform additional work until I was paid for what I had already done.

Again, where the Political Data files are concerned, there is confusion about what was installed. As the Committee now acknowledges, these files were indeed installed properly and

used by me as per CALVERT-1. The data is stored in a Paradox for DOS 4.5 file, a relational database that makes possible highly sophisticated queries (questions to retrieve specific data), and the generation of reports, such as a Walk List, using the data retrieved from the main file.

Certainly I told Ed that these things were possible prior to the data being purchased, but neither Ed Slevin nor anyone else ever brought up the possibility of my training Terry or anyone else to do this. I could have designed the reports and queries that Terry could have been trained to use and probably would have done so gratis because I like my clients to be happy, but I am not a mind-reader. To be asked to do this several months down the line is not reasonable, especially with a \$3,000 bill badly overdue. **If a client failed to pay you for work done and then asked for some free legal advice some months later, what would your response be?**

Further, as Ed Slevin will acknowledge, I told him that I had written a custom program for the Bringham for Assembly campaign that we used to automate these tasks, but Ed did not want to purchase this capability. Let's be realistic. If these tasks were so easy, why would anyone pay \$30,000 for a Votech system (the campaign version of the Monarch system Ken is provided with to handle constituent case work, and which uses Political Data as the source for its voter records)? I can do these tasks and/or write programs that automate them because I have been programming and working with relational databases for a decade. Having a file in a relational database no more makes these things possible for a layman to perform than does giving an Formula-1 car to a commuter and expecting him/her to win the Indianapolis 500 with it. I offered my services in this regard for the Primary and beyond but Ed did not want to secure my services.

The only program I wrote for use during/by the campaign (as per the CALVERT-1 invoice) was the one used to enable absentee voter mailings using the Political Data file. This program was not needed this Fall because the Riverside County Registrar of Voters provided absentee voter ballot applicant names on disk, but it did give the Campaign a significant competitive advantage during the Primary.

Clearly, there was a misunderstanding on the part of the Committee as to what was being provided with regard to use of the Political Data files, but the fact remains that Ed Slevin signed an invoice which clearly states how these files were to be used. There is no mention of enabling Committee staff to work with the Political Data file in any way, much less to perform the sophisticated operations required to generate Walk Lists. If Ed needed clarification of what he was signing, all he had to do was ask.

As to what I knew about why I was so slow in being paid, both Dale Cowgill and Sue Miller can confirm that I was only told that there was no money. I was never informed of any problems until I spoke to Sue Miller after telling Terry I could not be of assistance without payment, and even then I was only asked about where the Political Data file was. I told Sue that it was still on the system in the back of the office, but that Terry's working with the Political Data file was not part of the agreement. I also explained why I believed the file to be out of date. Even at this time, Sue led me to believe that non-payment was a matter of lack of funds, and that she would see where things stood after completing an FEC report she would be filing shortly. If the Committee did indeed have a problem at the time I was last in the office in June, may I ask why this fact was purposely kept from me for several months? Either there was no complaint or I was lied to repeatedly.

Using the justification that the Committee paid for Walk Lists and labels to pay me a reduced amount is simply not an equitable solution. I did not contract, verbally or in writing, to instruct/enable the Campaign in how to generate Walk Lists from the Political Data file during the period I worked for the Campaign. I contracted to install and use the Political Data file to generate mailings to absentee voters, and the Committee now admits that I did indeed do this. Though it was - and is - still possible to use these files to generate Walk Lists, etc., in the General Election, my statement that this data would be obsolete after the Primary notwithstanding, I did not agree to make this possible. The CALVERT-1 invoice clearly states the purpose for the Committee's acquisition of this file.

Moreover, your wish that I let the accusations made in your November 2, 1994, letter stand is not acceptable. First of all, your settlement offer clearly shows that much of what I was accused of not doing (such as installing and using the Political Data file) was indeed done. Were you to write the letter again based on your current understanding, you would change it considerably. What is believed to be true is not always what is actually true, and the Committee should face facts and acknowledge this.

In this regard, I would very much like a point-by-point refutation from the Committee, as I am quite comfortable with the content of my November 4, 1994 letter. If the Committee can show me where I was in error I will gladly recant and apologize for the offending statement. I do regret that the Committee now seems not to have understood what it agreed to, but this does not absolve it from upholding its obligations as clearly stated in the CALVERT-1 invoice. I fulfilled my end of the bargain, and misunderstanding or not, it is time the Committee did likewise.

Now, as for my being slandered, I am not really concerned about what you said in your November 2 letter, as most of what you relayed to me was based on misperceptions that it appears have been laid to rest, if not admitted to openly. However, the main offense I remain concerned about was accusing me of threatening to take the Campaign's mailing lists to the Takano campaign. This accusation was relayed to someone outside the Campaign whose truthfulness you would be unwise to contest.

Finally, do I still wish to settle this dispute without adjudication? Of course. In the spirit of settling this dispute amicably, let me offer the following: I will write a letter apologizing for threatening "to take any action I deem necessary to force the issue PRIOR to the election" (a quote from the fax that got you involved) and for any misunderstanding caused by my not spelling out what I would be doing in more detail, if Ed Slevin and Sue Miller will write a letter apologizing for 1) accusing me of not doing the work for which I billed the Committee, 2) repeatedly not informing me of their concerns when I asked why I was not being paid, and 3) generally questioning my honesty. The Committee's letter does not have to mention the Takano accusation specifically. In addition to this exchange of mea culpas, I will agree to knock \$500 off my bill. Thus the two letters of apology, if approved of by both parties, and a check for \$2,500 will put this matter to rest. Again, thank you for your attention to this matter.

Sincerely,



David L. Terrie  
President

LAW OFFICES  
NICHOLAS C. VASELS  
2010 MAIN STREET  
SUITE 510  
IRVINE, CALIFORNIA 92714  
TELEPHONE: (714) 833-9422  
FACSIMILE: (714) 833-3328

January 11, 1995

David L. Terrie  
Fieldworks Development Company  
28401 Championship Drive  
Moreno Valley, CA 92555

Re: Ken Calvert for Congress Committee

Dear Mr. Terrie:

This is to acknowledge receipt of your letter dated December 16, 1994.

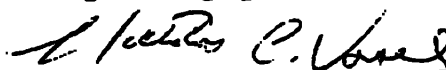
I have returned the settlement proceeds to the Committee, as represented by the trust account check which you sent back with your letter.

The Committee vigorously disputes the facts as described by you, and it rejects your counter-proposals for the settlement of your claim.

We are prepared to litigate the matter if you so choose; however, we remain hopeful that you will use your better judgment in amicably putting this dispute to rest.

Should you wish to direct your endeavors towards the latter, please let me know.

Very truly yours,



Nicholas C. Vasels

NCV/mft

# PACIFIC WEST COMMUNICATIONS GROUP, INC.

# of Pages: 2

Date: 3-5-96

To: Ed Slevin

From: Mike Bard

CC: Paul Doupe

Re: Calvert Video Cost Update &amp; Time line

## Cost Update

Video Central  
Tape Dubbing

1.05 ea.

\$21,000 @ 20K

23,300.81

One Stop Printing

Envelopes (1-color imprint / 2-sides)  
(additional 1,000's are \$68.50/m)

\$1,600 @ 20K

3258.33

Letters (1-color imprint / 2-sides)  
(additional 1,000's are \$25.00/m)

\$645 @ 20K

Rules Sheet (1-color imprint / 2-sides)  
(additional 1,000's are \$68.50/m)

\$765 @ 20K

Gangi Graphics

Assembly and box labels

.46 ea.

\$9,200 @ 20K

Poly West

Corrugated Boxes

205 ea.

\$4,100 @ 20K

US Postal Service

Postage  
Indicia

447 ea.

\$8,940 @ 20K

\$170 flat fee

TOTAL \$46,420.00 @ 20K

Please Note Sales Tax and Freight are Additional

1333 WILSHIRE BOULEVARD

SUITE 2050

LOS ANGELES

CA 90019

(213) 487-0830

FAX (213) 487-1850

LOS ANGELES

EGO

PORTLAND

for [unclear]  
(800) 638-4649

NEED  
RENS  
SIGNATURE  
\$38.00 (total)  
part of mailing  
all labels + letters  
per Craig 3/11/96

300  
rec'd  
2 videos address  
without labels  
(for mail)

25.00  
66,853.35

# Vendor Checks Needed

| Vendor                        | Service | Paid        | Balance    |
|-------------------------------|---------|-------------|------------|
| Spectral Communications       |         | \$10,200.00 | \$5,825.00 |
| Video Central                 |         | \$16,500.00 | \$6,800.81 |
| One Stop Printing             |         |             | \$3,258.33 |
| Gangi Graphics <i>Express</i> |         |             | \$9,200.00 |
| Poly West                     |         |             | \$4,549.21 |
| U.S. Postal Service           |         |             | \$9,110.00 |

## Cost analysis

|              |             |
|--------------|-------------|
| Paid         | \$26,700.00 |
| Balance      | \$38,743.35 |
| Vendor Total | \$65,443.35 |

\* WE NEED  
CHECKS  
(3-6-96) THE  
TO HOLD  
TIME LINE

## Additional Factors added after initial quote.

|                                |              |
|--------------------------------|--------------|
| Printed Material and Insertion | <\$7,258.00> |
| Corrugated Box                 | <\$2,000.00> |
| 500 additional tapes w/ box    | <\$625.00>   |

Total w/ above factors removed \$55,360.35

Pacific West Fee & Mark-up \$5,915.00

Total \$61,275.35

Orig. Est. \$58,585.00

Overage due to extra editing time \$2,690.35

*need actual  
billing*

These amounts are not based on invoices and are considered deposits.  
Additional charges may apply due to freight, taxes & increased quantities, etc.

F A X

PACIFIC/WEST  
COMMUNICATIONS GROUP, INC.

DATE: 9/26/96

TIME: 11:20

TO: TEN LEWIS

LOS ANGE

COMPANY: CAUCUS Campaign Committee

SACRAMEN

FAX NUMBER: 909-683-5955

IRVINE

MESSAGE FROM: MAGGIE WILSON

SAN FRANC

NUMBER OF PAGES, INCLUDING THIS PAGE: 2

PORTLAND

MESSAGE: RE: INVOICE 4101B for \$2915.00

Attached is the only invoice I could  
find from Special Communications - I can  
locate nothing for One Stop.

Please let me know the STATUS of  
our payment of \$2915.00

Thanks-

3435 WILSHIRE BOULEVARD  
SUITE 2850  
LOS ANGELES  
CA 90010  
(213) 487-0830  
FAX (213) 487-1850

IF THERE IS A PROBLEM WITH THIS TRANSMISSION, PLEASE  
CONTACT: \_\_\_\_\_

AT (213) 487-0830 OR FAX# (213) 487-1850.

# GANGI EXPRESS

19770 Bahama Street • Northridge, CA 91324 • (818) 806-7332 • fax (818) 886-6054

## F A X

TO: Terry  
FAX #: 909 683-6955  
FROM: Gary Gangi  
DATE: September 12, 1996  
# OF PAGES INCLUDING COVER: 3

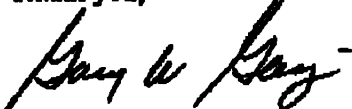
Attached are the two Postal Service Statements of Mailing for the Calvert For Congress Video Tape mailing.

The check you issued to the Post Office was for \$9,100. The total charges for mailing were \$9,096.82 at \$.455 per package. \*8281.82 / #815 / #9096.82

According to our records you also issued a check to our company for \$9,200 leaving a balance due of \$1,881.18 plus late charges of \$204.81 for a total of \$2,085.99.

Please call me if you have any further questions. It is our hope that this matter will be resolved quickly.

Thank you,



Gary W. Gangi  
President

8281.82  
815  
#9096.82



# GANGI GRAPHICS, INC.

## GANGI EXPRESS

19770 Bahama Street  
Northridge, CA 91324

(818) 886-2884 • Fax (818) 886-5054

CALVERT FOR CONGRESS  
C/O DESIGN OF THE TIMES  
3435 WILSHIRE BLVD. #2850  
LOS ANGELES, CA 90010  
ATTN: MIKE BARD

INV# 21031

CUST. PO# KEN CALVERT

CUST. JOB#

DATE 3/21/96

JOB # DOT-0101

TERMINET 7 DAYS

PHONE NO. : 8188867332

JUL 28 1996 2:52PM P03

| QUANTITY | DESCRIPTION  | UNIT PRICE | TOTAL     |
|----------|--|------------|-----------|
| 20500    | VIDEOS PACKAGES FOR POST OFFICE (* INCLUDES LABELS AT \$1913.00)       | .46 EA.    | \$9430.00 |
| 20500    | LETTERS TO BE FOLDED TO FIT PACKAGE                                    |            | 114.00    |
| 1300     | ADDITIONAL VIDEO BOXES * <i>boxes short of the from design of time</i> | .36        | 468.00    |
| 1000     | ADDITIONAL LABELS *  |            | 40.00     |
|          | TOTAL \$11081.18   |            | 170.00    |
|          | DEPOSIT ( 9200.00 )  |            | 287.46    |
|          | BALANCE DUE \$1881.18  |            | 92.39     |
|          | POST OFFICE PERMITS  |            | 160.00    |
|          | 3 DAY TRUCK RENTAL   |            | 82.00     |
|          | GAS  |            | 21.82     |
|          | DRIVER   |            | 15.62     |
|          | MESSENGER SERVICE TO KEN CALVERTS OFFICE 3/22/96                       |            | 199.89    |
|          | 100 KITS PACKAGED AND UPS TO KEN CALVERTS OFFICE                       |            | 3108.18   |
|          | 2 KITS PACKAGED AND NEXT DAY UPS TO WASHINGTON, D.C.                   |            |           |
|          | TAX  |            |           |
|          | TOTAL  |            |           |

\*\*\* DENOTED TAXABLE ITEMS

A 1 1/2% per month service charge will be added.